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RUEHCV/AMEMBASSY CARACAS 1419
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RUEHMN/AMEMBASSY MONTEVIDEO 3672
RUEHQT/AMEMBASSY QUITO 4061
RUEHSG/AMEMBASSY SANTIAGO 8591
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C O N F I D E N T I A L SECTION 01 OF 03 LA PAZ 000831

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TAGS: [ECON](#) [PGOV](#) [PREL](#) [EPET](#) [ENRG](#) [BL](#)

SUBJECT: TUTO QUIROGA TRYING TO ACTIVATE OPPOSITION

REF: A. LA PAZ 732

[1](#)B. LA PAZ 351

Classified By: Amb. David N. Greenlee for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: In a meeting with the Ambassador on March 22, former president Jorge "Tuto" Quiroga was nonchalant about the possible criminal case against him for signing hydrocarbons contracts without congressional approval, but worried about the far-reaching consequences of the politically-motivated charges. Quiroga proudly recounted Podemos' recent public attacks against Senate President Santos Ramirez on corruption; he also laid out plans to attack President Morales on GOB mismanagement of contracts and the recent Lloyd Airlines strike, and to force the GOB's hand on hydrocarbons in advance of the Constituent Assembly (CA). Regarding the GOB's case against former President Gonzalo Sanchez de Lozada, Quiroga asked us to stay our course and delay a response to the GOB's diplomatic note, both for his interest and ours. While Quiroga's party is mounting attacks against prominent MAS leaders, he does not appear to be focused on developing a concrete plan for the CA. Like many former political elites in this country, Quiroga appears to overestimate both his ability to affect the political changes already underway and his understanding of what is driving those changes. End summary.

LAWSUITS AGAINST EX-PRESIDENTS

[1](#)2. (C) In a meeting with the Ambassador on March 22, former president Jorge "Tuto" Quiroga was nonchalant about the possible criminal case against him for signing hydrocarbons contracts without congressional approval. (see reftel A). Quiroga said that during his administration, he signed only four hydrocarbons contracts, all of which were for exploration, not exploitation. (NOTE: The Constitution provides that Congress must approve all contracts for exploitation of natural resources). Of the four, Quiroga reported that one company failed to discover any reserves, another halted exploration for environmental reasons, and the remaining two companies are still in the exploration phase. Quiroga believes his case is "straight-forward," and he plans to invite media representatives to the sites of the

hydrocarbons concessions so the public can see that there has been no exploitation of hydrocarbons resources.

13. (C) Quiroga commented that the GOB's case against former president Carlos Mesa could be more problematic for Mesa. According to Quiroga, by sending hydrocarbons contracts (including one signed by him) to Congress, Mesa acknowledged they were for exploitation. Attorney General Pedro Gareca gave Mesa immunity from any legal suit while he was in office; Quiroga says that defense no longer applies. Mesa argues that Gareca is not qualified to pursue the case because he presented an irrevocable resignation letter to Congress, which Vice-President Alvaro Garcia Linera intercepted and rejected. Mesa told Gareca that he doesn't recognize his authority, but then testified anyway, thereby undermining his own defense. Quiroga says the opposition will summon Gareca to Congress next week to review his resignation/legal status as Attorney General, as well as to account for some money he may have been improperly paid by a university while on the government payroll.

14. (C) Quiroga worried that the Morales administration fails to understand the far-reaching consequences of its politically-motivated charges. Gareca has expressed his intent to charge all presidents, government (mostly ministerial and vice-ministerial level) officials and private sector players who had anything to do with hydrocarbons contracts since 1996-- a total of 33 companies and 46 individual defendants from Bolivia, France, Great Britain, Spain, Brazil and the United States. Because many of the original contracts have been transferred between companies over the years, over 200 people could be implicated eventually, including, according to Quiroga, the current MAS

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administration. Quiroga contends that if all contracts for exploitation of natural resources must be approved by Congress, then the Morales government is liable for the exploitation that has taken place since January 23, as the contracts and operations pursuant to those contracts have continued in force.

PODEMOS PUTS SANTOS RAMIREZ ON THE DEFENSIVE

15. (C) Quiroga proudly recounted Podemos' recent public attacks against Senate President and Morales insider Santos Ramirez. Podemos' leader in Congress, Deputy Jose Messmer, went toe-to-toe with Ramirez on March 21 after Ramirez publicly accused previous non-MAS senators of corruption. In response, Messmer exposed Ramirez's recent trip to Washington to participate in a Microsoft-sponsored leaders conference (NOTE: Ramirez had reportedly "disappeared," having kept his destination a secret) using Senate resources to fund his trip. On March 22, Podemos further challenged Ramirez's credibility based on a scandal involving misappropriation of resources of the town of Tinguipaya in Potosi and Ramirez's construction company when he was a deputy last term. Podemos brought Tinguipaya's mayor to La Paz to publicly denounce the incident, but the news story was overshadowed by the hotel bombings in La Paz (see septel). Finally, Podemos plans to bring to light Ramirez's drunk driving accident during Carnaval, for which he charged a \$600 car repair bill to Congress.

QUIROGA'S PLANS TO GO AFTER MORALES

16. (C) Quiroga appears to be focusing his efforts on discrediting President Morales and forcing the GOB's hand on the hydrocarbons issue. Podemos will attempt to damage Morales by exposing a USD \$130 million contract for paving the road between Potosi and Uyuni that the GOB awarded to a Brazilian company, and for which the GOB did not perform any

studies or solicit any bids. Quiroga speculated that money skimmed from the Brazilian government-financed project could be used to reimburse Brazil's PT party for their support of MAS during the election. Additionally, Quiroga said that the GOB's limited intervention in the February Lloyd Aero Boliviano (LAB) strike will soon become full-blown to avoid confiscation of LAB's airplanes (see reftel B). Quiroga believes that the GOB moved too late in intervening, and that the fallout from the loss of 3,000 LAB jobs (mostly in Cochabamba) will deal a huge blow to Morales on the economic front.

17. (C) Quiroga also plans to force the GOB to deal with the hydrocarbons contracts within the next three weeks by raising the issue in Congress. He believes that nationalization will be MAS's trump card for the CA, and wants to force his hand well in advance of the election of CA representatives. Quiroga thinks the MAS will vote to annul the contracts and that then "all hell will break loose" when the contracts go to arbitration. He says the opposition cannot allow the MAS to delay the issue until mid-July.

TUTO ON GONI CASE

18. (C) The Ambassador raised the issue of the pending criminal charges against former President Gonzalo "Goni" Sanchez de Lozada, as well as the case's impact on the charges against Quiroga. Quiroga stated clearly that if the United States refuses cooperation outright or criticizes the Bolivian judicial system, it will look like Bolivian presidents can do whatever they want and then hide behind the United States. Quiroga believes the best course is continued non-action, so that the Goni case doesn't negatively affect Quiroga and his counterparts, or contribute to anti-American

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sentiment.

COMMENT

18. (C) Quiroga displayed his trademark overconfidence with respect to the lawsuit against him. Even if unsuccessful, the lawsuit may have some of its intended effect. The GOB's intent to file formal charges has tainted the political opposition, including Quiroga, and might stick in voters' minds throughout the CA campaign, particularly since the charges involve the sensitive subject of Bolivia's natural resources. While he is mounting attacks against Morales and other MAS leaders, Quiroga does not appear to be focused on developing a concrete plan for the CA. Like many former political elites in this country, Quiroga appears to overestimate his ability to affect the political changes already underway and his understanding of what is driving those changes. End comment.
GREENLEE